

Registration number: 08258851.

Rare Bird Hotels Limited

Annual Report and Financial Statements

for the Year Ended 31 January 2020



Rare Bird Hotels Limited

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Rare Bird Hotels Limited

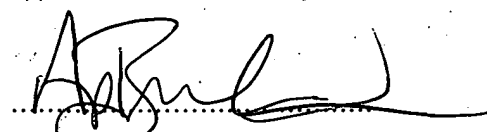
(Registration number: 08258851)
Balance Sheet as at 31 January 2020

| | Note | 2020 £ | 2019 £ |
|---|------|--------------------|--------------------|
| Fixed assets | | | |
| Tangible assets | 4 | 314,371 | 228,830 |
| Current assets | | | |
| Stocks | 5 | 13,271 | 13,366 |
| Debtors | 6 | 642,648 | 39,687 |
| Cash at bank and in hand | | 102,479 | 80,878 |
| | | <u>758,398</u> | <u>133,931</u> |
| Creditors: Amounts falling due within one year | 7 | <u>(6,515,994)</u> | <u>(5,254,763)</u> |
| Net current liabilities | | <u>(5,757,596)</u> | <u>(5,120,832)</u> |
| Net liabilities | | <u>(5,443,225)</u> | <u>(4,892,002)</u> |
| Capital and reserves | | | |
| Called up share capital | | 10,000 | 10,000 |
| Profit and loss account | | <u>(5,453,225)</u> | <u>(4,902,002)</u> |
| Shareholders' deficit | | <u>(5,443,225)</u> | <u>(4,892,002)</u> |

These financial statements have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

These financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime and the option not to file the Profit and Loss Account has been taken.

Approved and authorised by the Board on 26.1.21..... and signed on its behalf by:



A P Bradshaw
Company secretary and director

The notes on pages 2 to 7 form an integral part of these financial statements.

Rare Bird Hotels Limited

Notes to the Financial Statements for the Year Ended 31 January 2020

1 General information

The company is a private company limited by share capital, incorporated in England and Wales.

The address of its registered office is:

2nd Floor
47-57 Marylebone Lane
London
W1U 2NT
United Kingdom

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance

These financial statements have been prepared in accordance with Financial Reporting Standard 102 Section 1A - 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006.

Basis of preparation

These financial statements have been prepared using the historical cost convention except that as disclosed in the accounting policies certain items are shown at fair value.

Going concern

After making enquiries, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence and meet its liabilities as they fall due for the foreseeable future, being a period of at least twelve months from the date these financial statements were approved. The Company has made losses for a number of years: as a result of which it has been reliant on the support of other group companies.

However, following the completion of the refurbishment programme of the hotel in July 2019, business has continued to improve. We would also refer you to note 12 confirming the sale of the hotel business in September 2020 for a sum in excess of £6.9 million, which should ensure the company's ability to continue as a going concern. Consequently, the financial statements have been prepared on that basis.

Audit report

The Independent Auditor's Report was unqualified. The name of the Senior Statutory Auditor who signed the audit report on was Dean Blunden BFP FCA, who signed for and on behalf of Ross Brooke Limited.

Key sources of estimation uncertainty

Tangible fixed assets are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

Revenue recognition

Revenue from accommodation and related services is recognised at the point at which the services are provided and when the amount of revenue can be measured reliably and it is probable that the Company will receive the consideration due under the contract. Revenue is shown net of sales/value added tax, returns, rebates and discounts.

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Notes to the Financial Statements for the Year Ended 31 January 2020

Tax

Taxation expense for the period comprises current and deferred tax recognised in the reporting period. Tax is recognised in the profit and loss account, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case tax is also recognised in other comprehensive income or directly in equity respectively.

Current tax is the amount of income tax payable in respect of the taxable profit for the year or prior years. Tax is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the period end.

Deferred tax arises from timing differences that are differences between taxable profits and total comprehensive income as stated in the financial statements. These timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements.

Deferred tax is recognised on all timing differences at the reporting date. Unrelieved tax losses and other deferred tax assets are only recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or other taxable profits.

Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the period end and that are expected to apply to the reversal of the timing difference.

Tangible assets

Tangible assets are stated in the balance sheet at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

Depreciation

Depreciation is charged so as to write off the cost of assets, other than land and properties under construction over their estimated useful lives, as follows:

| Asset class | Depreciation method and rate |
|-----------------------|------------------------------|
| Plant and machinery | 20% straight line |
| Fixtures and fittings | 20% straight line |
| Computer equipment | 20% and 33% straight line |

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Debtors

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell.

Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers.

Leases

Leases in which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to profit or loss on a straight-line basis over the period of the lease.

Rare Bird Hotels Limited

Notes to the Financial Statements for the Year Ended 31 January 2020

Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

Defined contribution pension obligation

A defined contribution plan is a pension plan under which fixed contributions are paid into a pension fund and the company has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

Financial instruments

Classification

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties and investments in non-puttable ordinary shares. They are classified according to the substance of the contractual arrangements entered into.

Recognition and measurement

All financial assets and liabilities are initially measured at transaction price (including transaction costs) unless the arrangement constitutes a financing arrangement. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets and liabilities are only offset in the Balance Sheet when, and only when there exists a legally enforceable right to set off the recognised amounts and the Group intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Debt instruments which meet the conditions of being 'basic' financial instruments as defined in FRS 102.11.9 are subsequently measured at amortised cost using the effective interest method.

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled; or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party; or (c) despite having retained some significant risks and rewards of ownership, control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

Impairment

For financial assets carried at amortised cost, the amount of an impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

For financial assets carried at cost less impairment, the impairment loss is the difference between the asset's carrying amount and the best estimate of the amount that would be received for the asset if it were to be sold at the reporting date. The impairment loss is recognised in profit and loss.

Rare Bird Hotels Limited

Notes to the Financial Statements for the Year Ended 31 January 2020

3 Staff numbers

The average number of persons employed by the company (including directors) during the year, was 40 (2019 - 34).

4 Tangible assets

| | Fixtures and fittings £ | Plant and machinery £ | Office equipment £ | Total £ |
|--------------------------|----------------------------|--------------------------|-----------------------|------------|
| Cost or valuation | | | | |
| At 1 February 2019 | 472,569 | 130,807 | 88,805 | 692,181 |
| Additions | 218,549 | 12,336 | 2,315 | 233,200 |
| At 31 January 2020 | 691,118 | 143,143 | 91,120 | 925,381 |
| Depreciation | | | | |
| At 1 February 2019 | 295,785 | 107,966 | 59,600 | 463,351 |
| Charge for the year | 108,712 | 13,974 | 24,973 | 147,659 |
| At 31 January 2020 | 404,497 | 121,940 | 84,573 | 611,010 |
| Carrying amount | | | | |
| At 31 January 2020 | 286,621 | 21,203 | 6,547 | 314,371 |
| At 31 January 2019 | 176,784 | 22,841 | 29,205 | 228,830 |

5 Stocks

| | 2020 £ | 2019 £ |
|-------------------|-----------|-----------|
| Other inventories | 13,271 | 13,366 |

6 Debtors

| | 2020 £ | 2019 £ |
|---------------|-----------|-----------|
| Trade debtors | 106,384 | - |
| Prepayments | 44,384 | 31,978 |
| Other debtors | 491,880 | 7,709 |
| | 642,648 | 39,687 |

Rare Bird Hotels Limited

Notes to the Financial Statements for the Year Ended 31 January 2020

7 Creditors

Creditors: amounts falling due within one year

| | 2020 £ | 2019 £ |
|------------------------------------|------------------|------------------|
| Due within one year | | |
| Trade creditors | 32,875 | 117,400 |
| Amounts owed to group undertakings | 5,568,662 | 4,849,456 |
| Taxation and social security | 19,551 | 50,714 |
| Other creditors | 894,906 | 237,193 |
| | <u>6,515,994</u> | <u>5,254,763</u> |

8 Financial commitments, guarantees and contingencies

Amounts not provided for in the balance sheet

The total amount of financial commitments not included in the balance sheet is £225,000 (2019 - £1,563,596).

9 Related party transactions

Under FRS 102 Section 33, the Company is exempt from disclosing related party transactions with its Parent Company and fellow wholly owned subsidiaries, as 100% of the voting rights are controlled by CCO Trading Limited.

Summary of transactions with other related parties

Included within trade debtors is a balance of £Nil (2019: £Nil) owed to Mudlark Hotels Limited, a company under common control of a director. During the year a write off of £Nil (2019: £22,394) was recognised following agreement with the company in question.

Included within creditors is £5,568,662 (2019: £4,894,949) owed to CCO Cygnet Limited. This loan is interest free, unsecured and is repayable on demand. During the year, the Company included rental costs of £337,500 (2019: £338,425) from CCO Cygnet Limited, a fellow subsidiary of CCO Trading Limited. Payments of £337,500 (2019: £360,000) were made in the year.

Included within other creditors is a balance of £166,799 (2019: £12,659) owed to The Great House at Sonning Limited. Transactions included within this balance relate solely to recharged expenses. The company is a related party by virtue of being under the common control of a director. During the year expenses of £129,000 (2019: £59,834) were recharged. At the year end, there was also a balance of £8,032 (2019: £11,389) included within accruals.

During the year, the Company invoiced £226,496 (2019: £Nil) for services rendered to Various Eateries Trading Limited and incurred expenses of £301,086 (2019: £1,678), a company under the common control of a director. At the year end there was a debtor of £370,558 (2019: £Nil) and a creditor of £200,372 (2019: £518).

During the year, recharges of £Nil (2019: £3,139) were made to Well Barn Farm Limited, a related party as a common subsidiary of CCO Trading Limited.

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Notes to the Financial Statements for the Year Ended 31 January 2020

10 Relationship between entity and parents

The parent of the largest group in which these financial statements are consolidated is CCO Trading Limited, incorporated in England & Wales.

The address of CCO Trading Limited is:

CCO Trading Limited, 2nd Floor, 47-57 Marylebone Lane, London, W1U 2NT.

The ultimate controlling party of CCO Trading Limited is H Osmond.

11 Non adjusting events after the financial period

Subsequent to the year end, the company sold its business together with all of its assets to a new subsidiary, Rare Bird Hotels at Streatley Limited. In September 2020, Various Eateries plc entered into an acquisition agreement with Rare Bird Hotels at Streatley Limited to acquire all of its shares. This was carried out by way of a share for share exchange, for a total consideration of £6,952,380 prior to a placing of its shares on the Alternative Investment Market.

Post balance sheet date on 23 March 2020, the United Kingdom entered into a period of national lockdown due to the global coronavirus pandemic. Following the easing of this lockdown, subsequent measures were implemented in relation to controlling the spread of the pandemic and continue to remain in place to varying degrees at the date of this report. Whilst the immediate financial effects caused by the impact on trading conditions of these measures cannot be quantified and the longer term wider economic outlook remains uncertain, the directors believe that the company is well placed to manage any business risks arising as a consequence of the pandemic.